



INTERNATIONAL WEBINARS AND LIVE EVENTS

Covid-19 and the SDGs – Inequalities and Informal Economy

SDG Lab, UN Geneva, 9 June 2020

Panellists:

Tatiana Valovaya, Director-General, UN Geneva

Guy Ryder, Director-General, ILO

Alicia Barcena Ibarra, Executive Secretary, Economic Commission for Latin America and the Caribbean (ECLAC)

Mohammed Al Maita, National Commission for Migrant Workers and Refugees, Jordan

Henrique Barros, Head of National Health Council of Portugal

Kate Philip, Head of the Inclusive Growth Pillar, Youth Employment Initiative, South Africa

Moderator:

Nadia Isler, Director, SDG Lab, Geneva

The Moderator opened the panel by explaining that Ms Valovaya would make opening remarks, followed by Guy Ryder who will address the many facets of the informal economy crisis. Ms Barcena Ibarra will present perspectives from the South. The second part of the panel will hear of good practices from the representatives of Jordan, Portugal, and South Africa.

Tatiana Valovaya observed that this pandemic showed why the UN have been prioritizing **inequalities as one of the most urgent issues of its agenda**. The recovery out of the crisis must be seen as an **opportunity** to establish resilience for all communities and to protect the poor and most vulnerable segments of the population. **Solidarity** as well as awareness of the **interdependence of all actors** must be central aspects of the post-pandemic world.

Guy Ryder stated that **the next pandemic would be one of hunger**. Fundamentally, it was not a question of having to choose between health of the society and health of the economy. What was necessary was to **give targeted attention to protect jobs, support incomes**. It is as important to offer protection to the millions world-wide who devoted themselves to working on the frontlines in various sectors during the pandemic. For the future, it is crucial to ensure a structured and constructive dialogue between governments, businesses, and workers. The extraordinary precarity of billions of workers reflects the **cruel lack of universal social protection**, which is called for in Agenda 2030. Moreover, the vast majority of workers have no access to any recourse. Putting regulations in place is useless if they do not apply to everyone. **This is a moment of truth if we are to build back better**.

Alicia Barcena Ibarra observed that Latin America and the Caribbean has **the world's largest combined inequality of health and income**. 54% of workers have no social protection. Structural inequalities are rampant in health services, education. **Women** are the hardest hit in almost all socio-economic aspects. Risk of **viral infection is higher in the poor population** due to insufficient due to insufficient housing space and sanitation facilities. Equality remains a political statement. It is necessary to **get away from the culture of privilege** that normalizes inequality. We need a **new universal social compact**, which should include the health system as it is the backbone of life. This would have to be accompanied by a new economy based on **sustainability**.

Mohammed Al Maita stated that in **Jordan**, nearly **half the economy was informal**, with the vast majority of workers being **migrants and refugees**. The pandemic resulted in a 40% decrease in their income with no possibility of coping with this loss. Women were very often permanently dismissed. For their part, companies had limited capacity to pay wages for an additional month. This reflected the **lack of preparedness of the private sector**, where over 75% had no business continuity plan. Jordan responded to the crisis by establishing 2 funds to support business, one governmental, the other supported by large corporations and private entities. Legislation was promulgated to protect workers. Tax collection in several sectors of the economy was postponed. A fundamental **problem was that these measures were not based on social dialogue**. As a result, there was little awareness about them, and their applicability was severely limited with regard to **migrants and refugees** who accounted for 90% of the workers in the informal economy. NGOs have a vital role to play in the future.

Henrique Barros observed that that the first and the most affected segment of the population in **Portugal** consisted of **workers in the informal economy**. One example of good practice in mitigating the effects of the pandemic was that migrants and asylum-seekers whose status was still under administrative review were **accorded rights to social support**, health services and housing for a certain duration, as they constituted a particularly **vulnerable group**. **Civil society organizations** also played a great role in support to migrants, the infected, with regard to provision of food and accommodation.

Kate Philip observed that **South Africa**, like Latin America, had **deep inequalities** flowing from the institutionalized racism under **apartheid**. This is compounded by unemployment and structural barriers to solutions, further exacerbated by the pandemic. There is a high reliance of the poor on the informal economy, especially for food. The response has been the creation of **social security and works programmes**, in the infrastructure, commercial sectors and for community health workers, who had contributed to containing the pandemic. These public employment programmes complemented social security measures.

Q&A

A question was on whether Covid-19 had **expanded imagination** in a manner as to make politically more feasible than before innovative dimensions for the coming new normal and ways to carry it forward. Indeed, this represented a **great opportunity** as had highlighted structural gaps, the crucial role of civil society, the need for the resurgence of a stronger but social State, and the strengthening of cooperation in the framework of a new deal containing global health and universal welfare systems. There is also an **emerging new economic geography** in which large corporations are increasingly looking towards sustainability and regional cooperation rather than headquarters financial profits.

A second was how to **formalize the informal economy**. This requires appropriate regulations, simpler administration, financial incentives. **Informal economy is not a fatality**. When governments work closely with business and labour, this makes it perfectly feasible.